UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/SBI/1997/10
20 June 1997

Original: ENGLISH

SUBSIDIARY BODY FOR IMPLEMENTATION
Sixth session
Bonn, 28 July - 5 August 1997
Item 7 (a) of the provisional agenda

ADMINISTRATIVE AND FINANCIAL MATTERS

Proposed Programme Budget of the Convention for the Biennium 1998-1999

Note by the Executive Secretary

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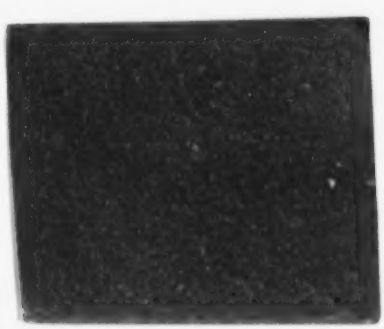

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I. INTRODUCTION

A. Mandate

1. The core administrative costs of the Conference of the Parties (COP), its subsidiary bodies and the Convention secretariat are met through a biennial programme budget to which contributions are made each year by Parties on the basis of an indicative scale. Both the budget and the scale are adopted by consensus by the COP. The budget is to be adopted prior to the commencement of each biennium. (See annex I of decision 15/CP.1.)

2. The next programme budget will be for the biennium 1998-1999 and is to be adopted by the COP at its third session (COP 3). In preparation for this, the Subsidiary Body for Implementation (SBI), at its fifth session (SBI 5), endorsed a timetable and a process for the review and adoption of the programme budget. This timetable provides for the SBI at its sixth session (SBI 6) to complete its review of the budget and to recommend a budget decision to COP 3 for adoption. The budget process set out in the SBI conclusions recognizes that some elements of uncertainty might not be removed until COP 3 convenes in December 1997 but that it will be necessary, nevertheless, for the Executive Secretary to notify the Parties by 1 October 1997 of the indicative contributions due to the budget by 1 January 1998. It also envisages that COP 3 will adopt the budget as recommended by the SBI 6, except for any modifications that may result from other decisions of COP 3 that have budgetary implications. (See FCCC/SBI/1997/6, paragraph 29.)

3. The conclusions of the SBI also required the Executive Secretary to propose to the sixth session of that body a comprehensive, detailed and timely programme budget for the biennium 1998-1999 (FCCC/SBI/1997/6, para. 29 (a) and (b)). This note seeks to respond to the requirements of the SBI. The results of any informal inter-sessional consultations that the Chairman of the SBI might convene, as envisaged in the SBI conclusions (FCCC/SBI/1997/6, para. 29 (c)), will be reflected in the secretariat's introduction of this document to SBI 6.

B. Scope of the note

4. The proposed programme budget for the biennium 1998-1999, contained in this document, builds upon the perspectives and the approach presented by the Executive Secretary to SBI 5 in document FCCC/SBI/1997/3, which will also be made available to SBI 6. The essence of the approach is that the proposed work programme for 1998-1999 has been constructed from a zero base. Consequently, the structure and outputs of the programmes and subprogrammes, as well as the resources required to deliver the latter, cannot always be compared with elements of the current programme budget for 1996-1997. The only elements that can be compared thus are the overall staffing table of the secretariat and the total amount of resources sought. These comparisons are made in the present document. (See tables 13 and 14 and paragraphs 30 and 31 below.)

5. The main difference between the core budget proposals in the present document and the estimates considered by SBI 5 is the reduction in the proposed staffing of the secretariat (which amounts to 9 fewer additional posts in 1998, and 13 fewer additional posts in 1999).[1] A number of other cost items have also been revised downwards. The total amount of programme expenditures envisaged has also decreased to circa $9.7 million in 1998 and $10.7 million in 1999. The comparable estimates presented to SBI 5 were that $11.2 to $11.7 million would be required in 1998, and that $12.6 to $13.1 million would be needed in 1999. These adjustments take account of concerns expressed by some Parties that the staffing and resource levels presented to SBI 5 were too high, as well as the initial comments made by Parties in the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA) concerning the content and scope of proposed programme activities.

6. In addition, there are a few presentational modifications:

(a) The programme for "Conference Management and Information Services" (CMIS) has been renamed "Conference and Information Support" (CIS). Its subprogrammes have also been renamed in consequence;

(b) The resources envisaged for the "Policy-Making Organs" programme, covering costs related to sessions of Convention bodies, have been incorporated into the programmes for Conference and Information Support, and Resources, Planning and Coordination. Consequently, the proposed budget no longer includes a programme for policy-making organs. This will not affect the services provided to the Convention bodies and is intended to further streamline the financial management of the secretariat; and

(c) The secretariat's plans for the Trust Fund for Supplementary Activities have evolved since SBI 5 and now include a proposed Fellowship Programme and resources for outreach activities to non-governmental actors.

7. An explanation of factors and assumptions taken into consideration in preparing the proposed budget is in section II of this note. The budget itself is presented in section III. It has been divided by programme and, when applicable, further broken down into subprogrammes. **Detailed information on activities and resource needs are to be found in FCCC/SBI/1997/INF.1.** The presentation of each programme includes summary tables of programme staffing and resource requirements from the core budget. These tables are consolidated at the end of the section III into tables that show staffing and resource needs for the whole secretariat (see section III B, tables 13 and 14).

8. An important feature of the detailed information on subprogrammes in document FCCC/SBI/1997/INF.1 is the attempt to describe the limits of the activities that the secretariat

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[1] Both sets of estimates exclude overhead charges, working capital reserve, and the contribution of the Government of Germany.

proposes to undertake and, in some cases, to specify activities that will not be undertaken. These limits arise from mandates, or lack thereof, as well as from the secretariat's estimates of what can be achieved with available resources. In some cases, the limits relate to assumptions about the availability of supplementary financing.

9. The proposed budget is followed by section IV relating to contingencies. This section provides a description of the resources that would be required to undertake additional work related to:

(a) A post-Kyoto intergovernmental process (contingent upon a decision by COP 3); and

(b) Conference servicing, should the UNFCCC be required to take on this responsibility in the coming biennium (contingent upon a decision by the United Nations General Assembly at its 52nd session).

10. Annexes I and II to this note provide presentations of the respective resources needed for the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities. Annex III contains a summary of resource estimates for the coming biennium from all funding sources. A report on the review of administrative arrangements will be issued at a later date.

C. Possible action by the SBI

11. To facilitate the review and consideration of the proposed programme budget, the Chairman of the SBI may wish to convene informal consultations at the start of SBI 6. He may also wish to invite the Chairman of the SBSTA to encourage delegations to involve their experts from SBSTA in the review of those aspects of the programme budget relevant to SBSTA, particularly with regard to the methodology subprogramme.[2]

12. In accordance with its conclusions at its fifth session, the SBI may wish to:

(a) Recommend to COP 3 a budget decision with the following elements:

(i) A total programme budget of $21,507,300 for the biennium 1998-1999, for the purposes listed in table 1 below (not including contingency items[3]);

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[2] The SBSTA will consider at its sixth session a programme of work on methodologies (see FCCC/SB/1997/INF.2). This programme of work is relevant to the resource requirements of the Science and Technology programme.

[3] A post-Kyoto intergovernmental process and conference servicing.

(ii) secretariat-wide staffing table broken down by level, as included in this document as table 13 (see page 17);

(iii) The level of remuneration of the post of Executive Secretary and of the other two senior posts in the staffing table;

(iv) A provision enabling the Executive Secretary to transfer resources among programmes within limits, repeating the provision contained in decision 17/CP.1, paragraph 5 (which is in accordance with paragraph 6 of the financial procedures); and

(v) A working capital reserve level of 8.3 per cent.

(b) Recommend to the COP that approved levels of resources be included in the programme budget on a contingency basis for the following activities:

(i) Implementation of a post-Kyoto intergovernmental process, should this be decided by COP 3; and

(ii) Conference servicing of meetings of the Convention bodies, should the General Assembly at its 52nd session not provide for this in the United Nations programme budget for 1998-1999.

(c) Recommend to COP 3 that it take note of the funding estimates for the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities under the UNFCCC (see annexes I and II);

(d) Invite the President of the COP to communicate forthwith to the Secretary-General of the United Nations the recommended level of remuneration of the post of Executive Secretary so that an appointment to that post may be made for a period beginning 1 January 1998; and

(e) Authorize the Executive Secretary to notify the Parties by 1 October 1997 of their indicative contributions due to the core budget by 1 January 1998 on the basis of the budget it recommends to COP 3 and, to this end, authorize the Executive Secretary to adapt the indicative scale of contributions (decision 15/CP.1, paragraph 7 (a) and annex II) to any changes that may be agreed by the General Assembly in the United Nations scale of assessments and request him to inform SBI 6 of any such adaptations.

Table 1
PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999
(thousands of United States dollars)

Expenditures	1998	1999
I Programmes		
Executive Direction and Management	623.8	640.3
Science and Technology	2,051.9	2,577.3
Implementation	3,251.4	3,363.5
Conference and Information Support	1,957.8	2,167.1
Resources, Planning and Coordination	1,786.4	1,918.1
Subtotal (I)	9,671.3	10,666.3
II Payments to the United Nations		
Overhead charge[4]	1,257.3	1,386.6
Subtotal (II)	1,257.3	1,386.6
III Working capital reserve[5]	207.7	93.3
Subtotal (III)	207.7	93.3
Total Expenditure Lines (I+II+III)	11,136.3	12,146.2
Income		
I Contribution from the host Government	887.6	887.6
Total Income	887.6	887.6
NET TOTAL	10,248.7	11,258.6

[4] Standard 13 per cent applied by the United Nations for administrative support.

[5] In accordance with paragraph 14 of the financial procedures (see decision 15/CP.1). This will bring the level of the working capital reserve to $907,100 in 1998 and $1,000,400 in 1999 (see paragraphs 17 to 19).

II. CONTEXT OF THE PROPOSED BUDGET

A. Structure

13. The programme budget for 1998-1999 has been prepared on the basis of the secretariat structure presented to SBI 5 (see FCCC/SBI/1997/3, paras. 20-45), with the modifications indicated in paragraph 6 above. Figure 1 at the end of this section illustrates the programme structure and the proposed allocation of staff by subprogramme.

B. Overhead charge and its use

14. Following standard practice, the Convention is required to pay a thirteen per cent overhead charge to the United Nations to cover the costs of the administrative services it provides to the Convention. The United Nations Department of Administration and Management (DAM) returns a portion of these payments to the Convention secretariat to help cover the costs of the secretariat's financial management and administration subprogramme.

15. In 1996, overhead funds were returned to finance the costs of one professional and two general service posts (all three of which had been approved by COP 1 as part of the core budget). Funding was increased in 1997 to finance one additional professional and two additional general service posts.

16. These arrangements are being reviewed with DAM and United Nations Office at Geneva (UNOG). The result of the review will be reported to the SBI. It is foreseen, nevertheless, that the arrangements will continue in 1998 and 1999. The secretariat will seek overhead resources for additional administrative posts in the professional and general service categories. The resource allocations contained in the proposed budget reflect the assumption that overhead funds will be provided for all administrative posts required throughout the coming biennium. Should this not be the case, resource needs for the secretariat's administration would need to be reconsidered.

C. Working capital reserve

17. In paragraph 14 of its decision 15/CP.1, annex I, the COP decided that a working capital reserve should be maintained to "ensure continuity of operations in the event of a temporary shortfall of cash". The level of this reserve is to be determined from time to time by the COP by consensus.

18. The reserve level was set at 8.3 per cent of expenditures (representing one month of operating requirements) for both 1996 and 1997 (see decisions 17/CP.1, para. 1, and 16/CP.2, para. 6, respectively). This amounted to $619,300 in 1996 and $699,400 in 1997 (that is, an additional $80,100 over 1996). The level is scheduled to be reviewed again at COP 3 (see decision 16/CP.2, para. 6).

19. Budget requirements for the coming biennium have been calculated in anticipation of the reserve level being maintained at 8.3 per cent of expenditures in both years. As the bulk of this reserve would be constituted by funds carried over from 1997, the budget proposed in this document includes only the allocations that will be necessary to raise the reserve to 8.3 per cent of 1998 and 1999 expenditures ($207,700 and $93,300 respectively). These amounts would need to be revised in accordance with the level of the agreed budget, and in the event that the COP decides to set a different reserve level in either or both years.

D. Standard figures used in calculating staff costs

20. The figures used in calculating staff costs in the budget proposed for the biennium 1998-1999 are based on the standard figures used in the preparation of the United Nations programme budget for the same biennium, taking Bonn as duty station. They include both salaries and common staff costs (benefits and entitlements estimated at 33 per cent of net salary plus post adjustment for professionals, and 25 per cent of net salary adjustment for general service staff members). The assumed exchange rate is US$1 = DM 1.69. These figures are listed in table 2 below.

Table 2

STANDARD FIGURES USED IN CALCULATING STAFF COSTS

(United States dollars)

Level	1998	1999
Assistant Secretary-General (ASG)	185,203	190,520
D-2	170,100	174,983
D-1	159,741	164,327
P-5	152,625	157,006
P-4	137,147	141,084
P-3	118,348	121,746
P-2	94,327	97,035
General Service	52,832	54,371

E. Other methods and assumptions used

21. The following methods have been followed in preparing the proposed programme budget:

(a) All of the staffing tables contained in this document reflect work-years of employment rather than fixed positions or posts;

(b) Programme support costs (such as communications, office supplies, maintenance) have been grouped under the financial management and administration subprogramme of the RPC programme, rather than being distributed by programme; and

(c) Each programme's direction and management subprogramme includes the temporary assistance and overtime costs for the programme as a whole.

22. For budgetary calculations, it has been assumed that:

(a) Resource needs should be determined on the basis of the annual calendar of meetings envisaged by the SBI, that is, two sessional periods, each lasting two weeks and one of which would include a one-week meeting of the COP (see FCCC/SBI/1997/6);

(b) The portion of the overhead charge returned to the secretariat will be sufficient to cover all administrative staff costs;

(c) The 'Bonn Fund'[6] will be sufficient to cover a portion of the CIS programme's staff costs; and

(d) During the coming biennium:

(i) The level of remuneration of the Executive Secretary will be maintained at the level of Assistant Secretary-General in the United Nations Secretariat structure; and

(ii) The two other senior posts will be maintained at the D-2 level.

Both of the assumptions in (d) above are subject to review at COP 3 (see decisions 14/CP.1 and 14/CP.2). Should they prove incorrect, minor adjustments to the budget will be necessary;

(e) Following a practice adopted in the previous programme budget, the Convention will maintain an annual contribution to the Intergovernmental Panel on Climate Change (IPCC) throughout the coming biennium. It is proposed in this budget that the level of support be set at $350,000 in 1998 and $400,000 in 1999 and included in the S&T programme. The increase in 1999 responds to the calendar for preparation of the Third Assessment Report;

23. Changes in any of the above assumptions may result in changes in the resources required in the Convention's core budget and/or trust funds for the biennium 1998-1999.

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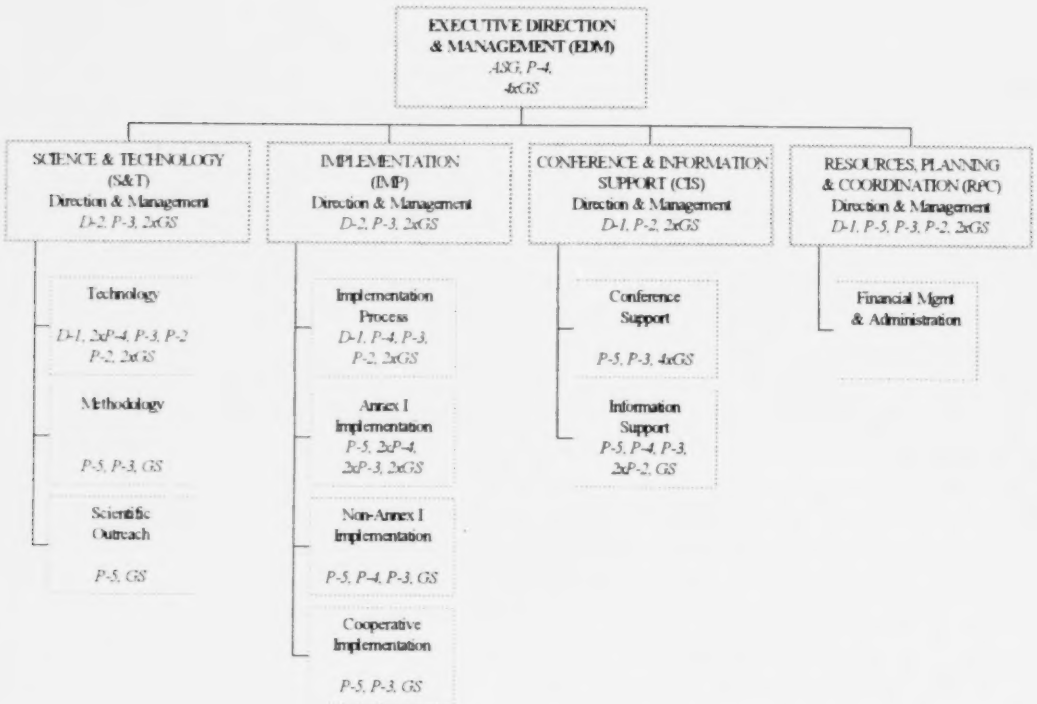
[6] An annual contribution of the Government of Germany of DM 3.5 million intended largely for the organization of events in Germany.

Figure 1

PROPOSED PROGRAMME STRUCTURE AND CORE STAFFING FOR THE BIENNIUM 1998-1999*



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* Posts as at the end of the biennium; some posts are phased in on 1 April 1998, 1 July 1998 or 1 January 1999. Does not include posts included in contingencies.

III. PROPOSED BUDGET OF THE CONVENTION FOR THE BIENNIUM 1998-1999

A. Programmes of work

24. The programme budget for 1998-1999 consists of five programmes of work. These are Executive Direction and Management; Science and Technology; Implementation; Conference and Information Support; Resources, Planning and Coordination. The descriptions of these programmes in document FCCC/SBI/1997/3 remain valid. This section of the present document contains tables showing the staffing and resource requirements from the core budget for each of these programmes, together with a summary description of the programme. Each programme, other than that for Executive Direction and Management, includes a subprogramme for direction and management and one or more other subprogrammes. Details of activities and resource requirements at the level of subprogrammes are given in FCCC/SBI/1997/INF.1.

25. The **Executive Direction and Management (EDM)** programme enables the Executive Secretary to provide overall direction and guidance to the secretariat, ensuring the coherence of the secretariat's activities, its proposals to Convention bodies and its advice to their officers. To this end, the programme organizes internal management processes and ensures an adequate flow of information throughout the secretariat. It also coordinates the representation of the secretariat in external meetings. Through the Executive Secretary, this programme is the principal interface between the secretariat and the Parties. The Executive Secretary is also accountable to the Secretary-General of the United Nations, *inter alia* for the observance of the Financial and Staff Regulations and Rules of the United Nations.

Table 3

EDM STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1998	1999
A.	Professional category and above		
	Executive Secretary	1	1
	P-4	1	1
	Total A	2	2
B.	General Service category	4	4
	Total B	4	4
	TOTAL (A+B)	6	6

Table 4

EDM RESOURCE REQUIREMENTS FROM THE CORE BUDGET BY OBJECT OF EXPENDITURE

(thousands of United States dollars)

	Item of expenditure	1998	1999
A.	Staff costs	572.3	588.8
B.	Travel on official business	51.5	51.5
TOTAL (A+B)		623.8	640.3

26. The **Science and Technology (S&T)** programme coordinates the secretariat's support to the SBSTA and is the principal interface at the secretariat level with the IPCC and other intergovernmental processes of a scientific and/or technical nature. Through three subprogrammes, it carries out the secretariat's work on technology (including its transfer and the analysis of related technical issues), methodology and science. It also includes the contribution of the Convention to the IPCC budget.[8]

Table 5

S&T STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1998	1999
A.	Professional category and above		
	D-2	1	1
	D-1	0.5	1
	P-5	1.75	2
	P-4	1	2
	P-3	3	3
	P-2	0	1
	Total A	7.25	10
B.	General Service category	5	6
	Total B	5	6
	TOTAL (A+B)	12.25	16

[8] See tables 5 and 6. The staffing and other resources required from the core budget for implementation of the methodology subprogramme need to be reviewed on the basis of guidance from the SBSTA on the programme of work on methodologies it will consider at its sixth session (see FCCC/SB/1997/INF.2).

Table 6

S&T RESOURCE REQUIREMENTS FROM THE CORE BUDGET BY OBJECT OF EXPENDITURE

(thousands of United States dollars)

	Item of expenditure	1998	1999
A.	Staff costs	1,337.4	1,789.8
B.	Consultants	192.0	192.0
C.	Expert Groups	60.0	54.0
D.	Travel on official business	112.5	141.5
E.	Grants/contributions	350.0	400.0
TOTAL		2,051.9	2,577.3

27. The **Implementation (IMP)** programme coordinates the secretariat's support for the SBI and the Ad Hoc Group on Article 13 (AG13) and is the principal interface at the secretariat level with the Global Environment Facility (GEF) and other financial institutions. Through four subprogrammes, it carries out the work of the secretariat on the compilation, synthesis and publication of information relating to the implementation of the Convention by the Parties, support for the establishment of a multilateral consultative process, guidelines for communications and for their review or consideration, the in-depth review of communications by Annex I Parties, the facilitation of communications by non-Annex I Parties, the financial mechanism of the Convention and the pilot phase of activities implemented jointly.

Table 7

IMP STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1998	1999
A.	Professional category and above		
	D-2	1	1
	D-1	1	1
	P-5	2.75	3
	P-4	4	4
	P-3	6	6
	P-2	1	1
	Total A	15.75	16
B.	General Service category	8	8
	Total B	8	8
	TOTAL (A+B)	23.75	24

Table 8

IMP RESOURCE REQUIREMENTS FROM THE CORE BUDGET BY OBJECT OF EXPENDITURE

(thousands of United States dollars)

	Item of expenditure	1998	1999
A.	Staff costs	2,581.4	2,695.0
B.	Consultants	258.0	258.0
C.	Expert Groups	195.0	201.0
D.	Travel on official business	217.0	209.5
	TOTAL	3,251.4	3,363.5

28. The **Conference and Information Support (CIS)** programme, through two subprogrammes, ensures that the Convention bodies receive the facilities, documentation and other services necessary for their work, including services provided by the United Nations Secretariat, manages arrangements related to participation by Parties and observers in Convention bodies, and provides the secretariat with its information systems, including the communication and computer system, data bases, and the dissemination of documentation and other information. This programme is the principal interface of the secretariat with the information media.[9]

Table 9

CIS STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1998	1999
A.	Professional category and above		
	D-1	1	1
	P-5	2	2
	P-4	1	1
	P-3	2	2
	P-2	2.5	3
	Total A	8.5	9
B.	General Service category	7	7
	Total B	7	7
	TOTAL (A+B)	15.5	16

[9] See tables 9 and 10. The staffing and other resources required from the core budget for the implementation of the confer ence support subprogramme have been estimated on the assumption of the availability of supplementary resources from the Bonn Fund.

Table 10

CIS RESOURCE REQUIREMENTS FROM THE CORE BUDGET BY OBJECT OF EXPENDITURE

(thousands of United States dollars)

	Item of expenditure	1998	1999
A.	Staff costs	1,658.3	1,751.1
B.	Consultants	108.0	108.0
C	Travel on official business	66.5	66.5
D.	Acquisition of furniture equipment[10]	125.0	241.5
	TOTAL	1,957.8	2,167.1

29. The **Resources, Planning and Coordination (RPC)** programme supports the Executive Secretary in planning and coordinating the secretariat's work programme and mobilizing financial resources for it, as well as in ensuring substantive support for the COP and its Bureau and providing legal advice to Convention bodies. It is the main interface of the secretariat with the principal coordinating mechanisms of the United Nations that are relevant to the Convention process. This programme incorporates a subprogramme on financial management and administration, funded by the return of overhead funds, that provides the secretariat with the whole range of administrative services, in cooperation with the relevant services of the United Nations Secretariat. General support costs for the entire secretariat, such as general operating expenses, communications, supplies, materials, office furniture and equipment are charged to this programme rather than being allocated to separate programmes.

Table 11

RPC STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1998	1999
A.	Professional category and above		
	D-1	1	1
	P-5	1	1
	P-3	1	1
	P-2	0.5	1
	Total A	3.5	4
B.	General Service category	2	2
	Total B	2	2
	TOTAL (A+B)	5.5	6

[10] Includes the resources necessary to meet estimated computer hardware and software needs for all staff and other uses cov ered by the core budget.

Table 12

RPC RESOURCE REQUIREMENTS FROM THE CORE BUDGET BY OBJECT OF EXPENDITURE

(thousands of United States dollars)

	Item of expenditure	1998	1999
A	Staff costs	634.3	701.1
B	Consultants	54.0	54.0
C	Travel on official business	45.5	45.5
D	General operating expenses	257.6	325.0
E	Supplies and materials	100.0	100.0
F	Furniture and equipment	70.0	52.5
G	Contractual services	100.0	100.0
H	Contribution to joint activities	525.0	540.0
TOTAL		1,786.4	1,918.1

B. Summary

Table 13

SECRETARIAT-WIDE STAFFING REQUIREMENTS FROM THE CORE BUDGET

		1997	1998	1999
A	Professional category and above			
	Executive Secretary	*1*	1	1
	D-2	*2*	2	2
	D-1	*4*	3.5	4
	P-5	*6*	7.5	8
	P-4	*5*	7	8
	P-3	*8*	12	12
	P-2	*4*	4	6
	Total A	*30*	37	41
B	General Service category	*17*	26	27
	Total B	*17*	26	27
	TOTAL (A+B)	*47*	63	68

Table 14

SECRETARIAT-WIDE RESOURCE NEEDS FROM THE CORE BUDGET

(thousands of United States dollars)

	Item of expenditure	*1997*	1998	1999
A	Staff costs	*5,105.5*	6,783.8	7,525.8
B	Consultants	*271.7*	612.0	612.0
C	Expert Groups	*209.9*	255.0	255.0
D	Travel on official business	*480.6*	493.0	514.5
E	Contractual services	*81.2*	100.0	100.0
F	Supplies and materials	*119.4*	100.0	100.0
G	Acquisition furniture equipment	*96.9*	195.0	294.0
H	General operating expenses	*413.4*	257.5	325.0
I	Contributions to joint activities	*332.8*	525.0	540.0
J	Grants and contributions	*310.6*	350.0	400.0
	TOTAL	*7,422.0*	9,671.3	10,666.3

30. In relation to staff costs approved by the COP for 1997, staff costs increase by 32.9 per cent in 1998 and 47.4 per cent in 1999. These increases are concentrated in the lower professional grades (P-2 to P-4) and in general service staff, as shown in table 13. They reflect, in the main, a general adaptation to the demand for substantive documentation for Convention bodies and for better organization of their sessions. While growth in the former demand will be felt across the secretariat, the latter will be borne mainly by the staff of the CIS programme, which will also respond to demand for information products and provide office technologies to the whole secretariat. In terms of programme content, the main areas of proposed growth are the subprogrammes on technology and methodology, in the S&T programme.

31. The resource requirements for many non-staff costs also vary from those approved for 1997. The estimates for the current budget were made in early 1995, before experience had been acquired by the secretariat in servicing the Convention bodies and in operating in Bonn. Lessons learned from that experience indicate that staff work needs considerably more support by specialized consultants. They also point to the need for a higher allocation towards costs related to the Bonn premises, and a lower allocation for supplies and materials. In addition, the allocation for furniture and equipment enjoyed a windfall benefit in 1997, on account of the generous contribution by the Government of Germany to the initial equipping of the secretariat. In the coming biennium, this budget line will have to be fully funded, meeting needs for new work stations and for normal replacement of computer hardware.

IV. CONTINGENCIES

A. Post-Kyoto intergovernmental process

32. As was noted by the Executive Secretary in the perspectives on financial requirements submitted to SBI 5, the secretariat will need resources above and beyond those included in this programme budget should COP 3 establish an ad hoc inter-governmental process to implement the outcomes of the Berlin Mandate (see FCCC/SBI/1997/3, paras. 79-80) and/or to launch a 'prompt start' process. These resources would be used to support a new programme within the secretariat's structure, which would consist of three staff members, two professional and one general service. The main function of this programme would be to manage and provide support to any post-Kyoto process by preparing documentation, organizing meetings, and supporting a bureau. Its capacity to conduct analytical work would be limited; resources in addition to those below would be a prerequisite to substantial amounts of analytical work being undertaken. Should the Kyoto instrument, or related decisions, result in additional programme-related work (regarding, for example, national communications, reviews or methodological issues), this could be integrated into the appropriate programme to the extent the resources are provided for this process. The staffing and resources requirements are presented in tables 15 and 16 below.

Table 15

STAFFING REQUIREMENTS FOR THE POST-KYOTO CONTINGENCY

		1998	1999
A	Professional category and above		
	D-1	0.5	1
	P-3	0.5	1
	Total A	1	2
B	General Service category	0.5	1
	Total B	0.5	1
	TOTAL (A+B)	1.5	3

Table 16

RESOURCE REQUIREMENTS FOR THE POST-KYOTO CONTINGENCY

(thousands of United States dollars)

Item of expenditure		1998	1999
A.	Staff costs		
	Posts	165.5	340.5
	Overtime	2.2	4.5
B.	Consultants	54.0	54.0
C.	Travel on official business	20.5	45.5
SUBTOTAL		242.2	444.5
Overhead charge		31.5	57.8
Cash reserve		22.7	41.7
TOTAL		296.4	544.0

B. Conference servicing

33. In the event that the General Assembly decides not to include the needs of the UNFCCC in its regular budget for the biennium 1998-1999, the Parties would have to assume these costs within the Convention budget (see FCCC/SBI/1997/3, paras. 58-66).

34. The following proposed contingency budget for the biennium 1998-1999 has been prepared in response to this eventuality. It is based on the 1996 statistics for conference servicing as provided by UNOG (the body presently charged with the Convention's conference servicing). The estimates have been calculated on the basis of the prevailing standard rates for contractual conference servicing (as applied by a number of qualified suppliers known to observe United Nations rules and regulations concerning the recruitment of short-term conference staff and the processing of documentation) and taking into consideration the need to maintain the current quality of services.[11]

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[11] The in-house rates applied by UNOG have not been applied, due to the fact that the organization is obliged to prepare cost estimates on the basis of unit rates which include fixed staff costs and are therefore much higher than the actual rates. However, depending on the availability of freelance translators and interpreters during a given period, UNOG's actual rates could be just as competitive, if not more so, than those applied by private suppliers.

35. In order to secure conference servicing which guarantees maximum flexibility and cost-effectiveness while at the same time preserving the quality of work expected of a body affiliated to the United Nations, it is proposed that conference servicing requirements are split into the following categories:

(a) Meeting servicing (including provision of interpretation, local support staff, and overall supervision of meeting arrangements);

(b) Documentation production; and

(c) Other requirements.

36. Meeting servicing and documentation services would be put out to tender to selected private and United Nations sources (including UNOG), with contracts awarded to the most competitive bidders.

37. The process outlined above, which is similar to one under consideration by other international organizations and is based on Resolution 5.2.4 the World Meteorological Organization (adopted at its Twelfth World Congress), is seen as an effective way to simultaneously maximize limited financial resources and preserve the quality of work. It has been developed based on new information obtained subsequent to SBI 5, and is expected to be more cost effective than the options presented previously (namely, contracting all services from UNOG, from a fixed combination of United Nations and private sources, or from strictly private sources). The "other requirements" are largely fixed costs necessary to deliver the conference services.

38. Within the secretariat, the conference support subprogramme of CIS will be responsible for overseeing the provision of conference services. All additional regular and temporary staff members recruited to assist in activities relating to conference servicing will report to the manager of that subprogramme, and ultimately to the Coordinator of CIS.

Table 17

RESOURCE REQUIREMENTS FOR THE CONFERENCE SERVICING CONTINGENCY

(thousands of United States dollars)

Item of expenditure		1998	1999
I.	Meeting servicing[12]	419.4	431.5
II.	Documentation[13]	698.5	737.4
III.	Other requirements[14]	707.5	728.1
IV.	Travel of staff to meetings[15]	265.5	265.5
V.	Miscellaneous[16]	10.5	10.5
VI.	Contingencies and exchange rate fluctuation	63.0	65.2
	SUBTOTAL	2,164.4	2,238.2
VII.	Overhead charge[17]	281.4	291.0
VIII.	Working Capital Reserve[18]	203.0	6.9
	TOTAL	2,648.8	2,536.1

[12] Includes interpretation and meeting room staff.

[13] Includes revision, translation, typing, reproduction and distribution of pre-, in- and post-session documentation.

[14] Includes remote translation requirements, key supervisory staff, freight, communications.

[15] Includes travel of interpreters and key supervisory staff, including planning missions.

[16] Includes estimated cost of initial stock of meeting stationery and supplies.

[17] Standard 13 per cent applied by the United Nations for administrative support.

[18] In accordance with paragraph 14 of the financial procedures. The 1998 amount has been calculated as 8.3 per cent of the subtotal of I-VII, the 1999 amount has been calculated as the amount required to bring the carried-over 1998 reserve to 8.3 per c ent of the subtotal of I-VII for 1999.

I. Explanatory notes

(a) General assumptions used in preparing the above estimates:

(i) Venue of all meetings: Bonn, Federal Republic of Germany;

(ii) Duration: 20 working days per year (two two-week sessions per year), encompassing 80 meetings (reflects capacity for parallel meetings);

(iii) Languages of interpretation and translation: Arabic, Chinese, English, French, Russian, Spanish;

(b) Comments by section:

(i) Meeting servicing: Includes the costs of recruiting non-local conference room supervisors and teams of interpreters. The cost of meeting servicing depends mainly on the number of meetings held with interpretation and the number of languages required.

(ii) Documentation: Annual documentation requirements have been calculated based on the following estimates (based on historic averages):

Pre-session:	700 original pages
In-session:	200 original pages
Post-session:	400 original pages
Reproduction:	10,000,000 pages
Distribution:	200,000 documents

Rates used for the processing of documentation are based on a survey of prevailing rates for contractual translation applied within the United Nations system. Rates have been calculated assuming that only in-session and post-session documentation will be reproduced in Bonn, whereas all documentation will be distributed from Bonn. Documentation costs depend primarily on the number of documents produced, the length of each document, the number of languages for translation, and the number of copies required.

(iii) Other requirements: Regular staff includes an additional Programme Officer and four additional general service staff members for the conference support subprogramme of CIS; temporary staff and consultants include distribution supervisors, reproduction supervisors, technical specialists, and clerks. It is based on a combination of local and non-local recruitment.

(iv) Travel of staff to meetings: Necessary for interpreters and other short-term non-local supervisory staff. Costs have been calculated based on an average roundtrip fare between Paris/London/Vienna/ Geneva and Cologne.

(v) Miscellaneous: Includes photocopy paper for in-session documentation (based on the allocation within the regular budget of the United Nations).

Annex I

TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS

1. The Trust Fund for Participation in the UNFCCC Process is a special fund designed to receive voluntary contributions to support participation in sessions of the Convention bodies by representatives of developing-country Parties, particularly those that are least developed countries or small island developing States, and of other Parties with economies in transition. It was created by the Secretary-General of the United Nations and is managed by the Executive Secretary, in accordance with paragraph 15 of decision 15/CP.1. The current basic eligibility criterion for the funding of the participation of a Party is that its per capita gross domestic product was $ 5,500 or less in 1994. This criterion is reviewed from time to time, as new GDP data become available. In the event of a shortage in the fund, priority is given to support representation from least-developed countries and small island developing States.

2. Total expenditure from this Fund in 1996 amounted to $1.526 million. (Contributions received in 1996 were sufficient to fund the participation of only circa 75 per cent of all eligible recipients, although not all eligible Parties sought funding.) If contributions for the remainder of 1997 are enough to fund all eligible recipients for the sessions remaining in the year, it is projected that total expenditure for 1997 will amount to approximately $2.301 million.

3. At the most recent session of the subsidiary bodies (February/March 1997), 125 Parties were eligible for support. Based on an expectation that this number will increase, it is estimated that 130 Parties will be eligible for support from this Fund in 1998 and 135 in 1999. These Parties will need to be financed for two sessional periods of two weeks each, one of which will include a week-long meeting of the COP (see FCCC/SBI/1997/6).

4. The estimated resources needed for this fund to ensure provision of support to all eligible Parties at all sessions are provided in table 18 below.

Table 18

RESOURCE REQUIREMENTS FOR THE TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS

(thousands of United States dollars)

Item	1998	1999
Support for eligible Parties to participate in one two-week session of the subsidiary bodies	715.0	742.5
Support for eligible Parties to participate in one two-week session of the COP and its subsidiary bodies[19]	1,100.0	1,127.5
SUBTOTAL	1,815.0	1,870.0
Overhead charge[20]	236.0	243.1
Cash reserve[21]	205.1	211.3
TOTAL	2,256.1	2,324.4

[19] Includes funding for a second delegate from least developed countries and small island developing States in accordance with the practice at COP 1 and COP 2.

[20] Standard 13 per cent applied by the United Nations for administrative support.

[21] Calculated at 10 per cent.

Annex II

TRUST FUND FOR SUPPLEMENTARY ACTIVITIES

1. The Trust Fund for Supplementary Activities is used to support a variety of activities undertaken by the secretariat in response to needs and requests stemming from the Convention process. As these are continuously emerging, it is difficult to forecast too far in advance the precise levels of resources that will be required in this Fund. The COP at its first session noted projected supplementary funding levels of circa $1,310,460 in 1996 and $1,451,370 in 1997 (both figures include overheads).

2. Based on the positive feedback received from the Parties, the secretariat plans to extend the initiatives currently supported by this fund into the next biennium. The secretariat also plans to launch new activities, such as the Fellowship Programme and outreach to non-governmental actors. The resources that will be needed for the maintenance and/or development of these activities are indicated in table 22 below. Detailed descriptions of each activity can be found in FCCC/SBI/1997/INF.1.

Table 22

RESOURCE REQUIREMENTS FOR THE TRUST FUND FOR SUPPLEMENTARY ACTIVITIES [22]

(thousands of United States dollars)

Item of expenditure			1998	1999
I.	CC: INFO/Web			
	A.	Consultants	24.0	24.0
	B.	Participants	90.0	90.0
	SUBTOTAL		114.0	114.0
II.	CC: INFO Information services and products			
	A.	Staff costs	359.7	375.3
	B.	Consultants	372.0	372.0
	C.	External printing	125.0	125.0
	D.	Acquisition furniture/equipment	2.5	0.0
	E.	Communications	33.6	33.6
	SUBTOTAL		892.8	905.9
III.	Fellowship Programme			
	A.	Personnel service contracts	100.0	100.0
	SUBTOTAL		100.0	100.0
IV.	Workshops and meetings on implementation			
	A.	Expert Groups	258.0	258.0
	B.	Travel on official business	16.5	16.5
	SUBTOTAL		274.5	274.5
V.	Non-governmental outreach		206.0	211.0
	A.	Staff costs	125.0	130.0
	B.	Consultants	36.0	36.0
	C.	Expert Groups	30.0	30.0
	D.	Travel on official business	15.0	15.0
	SUBTOTAL		206.0	211.0
	TOTAL	**(I - V)**	1,587.3	1,605.4
	Overhead charge		206.3	208.7
	Cash reserve		269.0	272.1
	TOTAL		2,062.6	2,086.2

[22] Excludes bilateral funding arrangements.

Annex III

SUMMARY OF RESOURCE ESTIMATES FOR THE BIENNIUM 1998-1999

Table 23

SUMMARY OF RESOURCE ESTIMATES FOR THE BIENNIUM 1998-1999, BY PROPOSED SOURCE OF FUNDING [23]

(thousands of United States dollars)

Proposed source of funding	1998	1999
Core budget		
Proposed budget	10,248.7	11,258.6
Contingency: Post-Kyoto intergovernmental process	296.4	544.0
Contingency: Conference servicing	2,648.9	2,536.1
CORE BUDGET TOTAL	13,194.0	14,338.7
Trust Fund for Participation in the UNFCCC Process	2,256.1	2,324.4
Trust Fund for Supplementary Activities	2,062.6	2,086.2
TOTAL	17,512.7	18,749.3

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[23] Excludes bilateral funding arrangements.